Secvt. II-37—100,000—21-8-48.

Development (1948) Department.

Ms SERIES.

G.O. No. 4549

Dated 4. 9. 1948

[Despatch Abstract.]

Agriculture - Grow More Food - Distribution of Diammonium Phosphate Irregularity by Messrs. The Imperial Chemical Industries (India) Limited Papers recorded.

GOVERNMENT OF MADRAS.
Development Department.

Letter No. 5?166/A-III/48-7.

From

Sri. W.R.S. Sattianathan, I.C.S.,
Secretary to Government.

To

Messrs. Imperial Chemical Industries (India) Limited,
Madras.

Dated, Fort St. George, the 3rd September 1948.

Sir,

Sub:- Agriculture - Grow More Food - Diammonium Phosphate Distribution - Remittance of cost - Irregularity.

Ref:- Your letter dated 22.7.1948.

I am directed to state that the despatch of Diammonium Phosphate direct to the firms without the concurrence of the Director of Agriculture and the delay in remitting the amounts collected from them in March and April 1948 till the 12th May 1948 not only constitutes an irregularity but also involves financial loss to the Government by way of loss of interest. The Government trust that this will not be allowed to happen again.

Yours faithfully,

(Sd) W.R.S. Sattianathan,
Secretary to Government.

Copy to the Joint Director of Agriculture with reference to his letter No. M1/2064/47 dated 3.8.1948.

/True copy/

for Superintendent,
Madras Record Office.

k.y.s. 28.7.

FINANCE (ACCOUNTS-B) DEPARTMENT

Finance
(Previous/note on page 3 above).

The method of payment for the supplies of the supplies of Chemical manures is as follows:-

The Government of India raise a debit against this Government for the quantities allotted to this Province. The Imperial Chemical Industries have been entrusted with the distribution of these manures to the various firms in consultation with the Agricultural Department and the collection from the firms of the value of the products. The amounts so realised from the firms are to be immediately credited to the account of this Government. In the present case, the Company did not follow the usual procedure as complained by the Director of Agriculture ~~on pages 1 and 25 c.f.~~ The cost of the manure collected by the Company in March and April 1948 was remitted to this Government only on the 12th May 1948. The main reason urged by the Company for this delay was that the final price of the manure was communicated by the Government of India only about the end of April 1948 and that pending the collection of the final price, it did not transfer to the Government the advance payments received from the firms to which the manure was distributed. Normally speaking, the advance payments should have been immediately remitted to the Government as and when they were made and not retained by the Company till final collections were completed. Apart from the administrative irregularities referred to at 'B' ~~on page 25 c.f.~~ there was also some financial loss to the Government by way of interest ~~xx~~ which according to the calculations of Development at 'S' on page ~~5~~ above roughly amounts to about to Rs. 675/-. The utmost that we can demand from the Company is the payment of this amount. But since the Development Department propose to warn the company against the repetition of such irregularities, it is for orders whether Finance may agree to the matter being closed without raising any claim for interest, which is not large.

We need not press a possible claim for interest.

K.G.M.
18.8.48.

x x x
17.8.

x x
17.8.

K.G.M.
18.8.

DEVELOPMENT DEPARTMENT

Please see the Finance Notes ~~on page 6~~ above which summarises the case. A draft letter to the firm is submitted below. After issue the papers may be recorded. The case may perhaps be circulated.

x x x
26.8.

W.R.S.
31.8.

H.M. (Agriculture). K.M.
3.9.

P.T.O.

G.O. Ms. No. 4549 dated 4.9.1948,

Agriculture - Grow More Food - Distribution of Diammonium Phosphate - Irregularity by Messrs. The Imperial Chemical Industries (India) Limited - Papers recorded.

/True copy/

for Superintendant,
Madras Record Office

4/9.